

## APPENDIX A

JetBlue offers high-quality service
“JetBlue’s high quality of service allowed it to compete effectively against the legacy airlines in ways other LCCs and ULCCs could not. American’s CEO, Robert Isom, testified that ULCCs do not compete against American for passengers who want to fly first class because ULCCs do not offer a first-class product. Tr. Vol. 5, 90:6-8, 91:4-9 (Isom/American). Barry McMenamin, a corporate sales manager for JetBlue in New England, testified that he does not typically consider ULCCs to be strong competitors for corporate customers, as ULCCs do not use a global distribution system (‘GDS’) allowing clients to book corporate travel and therefore do not feature in the same travel programs for which JetBlue competes. Tr. Vol. 2, 209:18–210:20 at 210:8-17, 210:21–211:11 (McMenamin/JetBlue). Mr. Hayes testified, ‘Well, something I believe that’s different between JetBlue and ULCCs is that when JetBlue flies a market, competitors react more broadly than when a ULCC flies the market, because JetBlue is flying a broader set of customers than ULCCs.’ Tr. Vol. 1, 141:4-14 (Hayes/JetBlue).” NEA Proposed FOF ¶ 27.
“JetBlue is unique among low-cost airlines.” NEA Proposed FOF at 6.
“JetBlue differentiated itself from other low-cost airlines by offering not only low fares, but also high-quality service. Tr. Vol. 1, 109:13-20 (Hayes/JetBlue). Consistent with the LCC business model, JetBlue’s pricing strategy was to stimulate demand by offering lower fares. Tr. Vol. 3, 89:7-12 (Jarashow/JetBlue). JetBlue also offered superior service to many airlines, including legacies. <i>See, e.g.</i> , PX0542 at 12 (describing JetBlue as ‘the only major airline in the U.S. with seatback entertainment at every seat’ and the airline offering ‘the most legroom in coach of any airline in the United States’). In January 2020, JetBlue touted offering the “best coach class product in North America.” PX0934 at 12. JetBlue stated that it ‘revolutionized the industry’s in-flight entertainment with personal seatback screens’ in the economy cabin. PX0934 at 12.” NEA Proposed FOF ¶ 24.
“Competition from JetBlue resulted in higher-quality service offered by legacy airlines. Mr. Swartz inquired about upgrading aircraft equipment in order to compete more effectively against JetBlue on BOS-LAX. PX0201. Mr. Hayes testified that the legacy airlines responded to competition from JetBlue on JFK-LAX by offering an improved product. Tr. Vol. 1, 142:24–143:13 (Hayes/JetBlue). Mr. Lusso testified that when JetBlue introduced Mint product in transcontinental markets in 2014, public fares decreased, the number of premium seats grew, and other airlines improved their front cabin product to better compete with Mint. Lusso (JetBlue) Dep. 60:17–61:19, Apr. 11, 2022; PX0555 at 11, 16, 18, 23.” NEA Proposed FOF ¶ 40.
“JetBlue’s ordinary course documents confirm that its business model was unique. PX0673 at 16 (describing JetBlue as having ‘a unique business model that isn’t used by any other North American carrier’); PX0934 at 11, 12 (explaining that JetBlue’s “founders saw the opportunity to create an airline that found a sweet spot in the middle, offering competitive prices with a Customer-centric offering tailored to give [JetBlue’s] Customers what they want,’ and that

JetBlue's 'unique attributes allowed [JetBlue] to compete effectively and benefit the consumer'." NEA Proposed FOF ¶ 28.

"Before the NEA, JetBlue fought AA as a scrappy opponent that, in JetBlue's own words, boxed "far above" its weight.<sup>3</sup> When JetBlue first launched service in Boston in 2004, it took on AA by offering travelers low fares and high-quality service. In response, AA was forced to lower its fares. Passengers rewarded JetBlue with their business. By 2019, JetBlue estimated that it had saved travelers flying in and out of Boston more than \$3 billion dollars since it began operating in the city." NEA Pre-Trial Brief at 2.

#### **JetBlue competes for all passengers**

"JetBlue competed successfully for both business and leisure passengers." NEA Proposed FOF at 8.

"The differences in airline business models result in differing abilities to compete for distinct passenger segments. Tr. Vol. 1, 126:14-23 (Hayes/JetBlue); Tr. Vol. 2, 102:11–104:11 (Watterson/Southwest); Tr. Vol. 2, 209:13–211:11 (McMenamin/JetBlue); Tr. Vol. 5, 89:7–91:9 (Isom/American). As a general matter, legacy airlines and hybrid LCCs compete for all passenger types since they provide a product that is attractive to business and other, higher-value passengers. Tr. Vol. 1, 141:4-20 (Hayes/JetBlue); Tr. Vol. 2, 102:11–103:14 (Watterson/Southwest). In contrast, ULCCs do not offer a first class option and therefore do not compete for passengers who want to fly first class. Tr. Vol. 5, 89:7–91:9 (Isom/American)." NEA Proposed FOF ¶ 13.

"Mr. Hayes testified, 'Well, something I believe that's different between JetBlue and ULCCs is that when JetBlue flies a market, competitors react more broadly than when a ULCC flies the market, because JetBlue is flying a broader set of customers than ULCCs.' Tr. Vol. 1, 141:4-14 (Hayes/JetBlue)." NEA Proposed FOF ¶ 27.

"Before the NEA, JetBlue sought to attract not only leisure passengers, typical of LCCs, but also corporate customers. JetBlue launched Mint to compete more effectively for travelers preferring premium service. *See* PX0441 at 1 (announcing the introduction of Mint). Other airlines recognized JetBlue's aggressive efforts to attract corporate customers." NEA Proposed FOF ¶ 30.

"Legacy airlines, LCCs, and ULCCs compete for some—but not all—of the same customers. PX0142 at 7, 24 (used in PX0461 (Miller Report) ¶ 82 n.90). Low-cost airlines maintain a lower cost structure than legacy airlines by operating a simplified fleet and flying point-to-point routes. Tr. Vol. 2, 101:7-24, 102:9-10 (Watterson/Southwest). The lower cost structure enables them to offer lower fares than legacy airlines. Tr. Vol. 2, 101:7-24, 102:9-10 (Watterson/Southwest)." NEA Proposed FOF ¶ 18.

#### **JetBlue is a maverick**

"Mr. Hayes characterized JetBlue a 'disrupter' in the domestic airline industry. Tr. Vol. 1, 125:5-7 (Hayes/JetBlue); PX0685 at 1 (writing to the European Commission that JetBlue was

‘recognized as a disruptor in the U.S. airline industry, having pioneered the concept of free seatback live-television, reserved all-leather seats and, more recently, free high-speed Wi-Fi.’). Mr. Hayes testified that JetBlue’s attributes enabled it to have an outsized impact on the airline industry. Tr. Vol. 1, 110:17–111:1 (Hayes/JetBlue).’’ NEA Proposed FOF ¶ 29.

“[The NEA] fundamentally alters JetBlue’s role as an independent competitor that has saved passengers more than \$10 billion since its founding.” NEA Pre-Trial Brief at 5.

“JetBlue historically has behaved like a maverick in the airline industry. It differentiates itself from legacy airlines and other LCCs by offering low fares and high-quality services, including its premium Mint product and more leg room in coach class, among others. PFOF ¶¶ 24-25. Although other LCCs and ULCCs compete by offering lower prices, they do not have a premium business product like Mint, or comparable high-quality coach service. PFOF ¶¶ 26-27. Whereas legacies compete with each other’s premium services, they do not offer the same kind of price competition that JetBlue provides. *See* PFOF ¶ 323.” NEA Post-Trial Brief at 37.

“JetBlue mitigated the effects of capacity discipline by growing capacity.” NEA Proposed FOF at 113.

“Nonlegacy airlines, including most prominently JetBlue, increased capacity during the prior capacity discipline period, indicating they did not participate in the earlier effort to slow industry capacity growth. Tr. Vol. 9, 102:5-103:5 (Town/Pls. Expert). Between 2009 and 2019, JetBlue grew more in the Northeast in percentage terms than any other airline, and added almost as much total capacity in the Northeast as Delta, even though it is a much smaller airline. Tr. Vol. 9, 103:6–104:21 (Town/Pls. Expert) (discussing demonstrative at 32, 33). Although it helped mitigate the harm, the growth of JetBlue and other LCCs during the capacity discipline period was not enough to fully offset the shortfall between predicted and actual legacy airline capacity, and so capacity discipline by the legacy airlines still resulted in fewer available seat miles industrywide than would have been available absent coordination. PX0964.” NEA Proposed FOF ¶ 400.

“In New York, JetBlue was AA’s most disruptive rival. When JetBlue challenged AA and other major airlines by launching service at John F. Kennedy International Airport (‘JFK’), the number of passengers using that airport nearly doubled.<sup>5</sup> As in Boston, competition between AA and JetBlue in New York lowered prices and improved quality. JetBlue’s documents describe how, in response to competition from JetBlue, AA lowered fares to “match B6 [JetBlue] levels.” NEA Pre-Trial Brief at 2.

“JetBlue’s business model succeeded. While AA and its fellow legacy airlines sought to restrict capacity growth and raise fares, JetBlue introduced new capacity and lowered fares. Consumers rewarded JetBlue with their business.” NEA Pre-Trial Brief at 9.

“Historically, JetBlue’s capacity growth has mitigated the effects of capacity discipline, by providing an influx of capacity and disrupting the legacy airlines’ attempt to keep industry capacity growth in check.” NEA Pre-Trial Brief at 32.

<b>JetBlue Effect</b>
“The JetBlue Effect produces lower prices and higher quality service on routes where JetBlue competes.” NEA Proposed FOF at 12.
“JetBlue has exerted a particularly unique, disruptive force on the marketplace, termed the ‘JetBlue Effect.’ PFOF ¶ 46. In the past, when JetBlue entered a market, it benefitted not only its own customers, but also customers of its competitors, who were forced to lower their prices in response to JetBlue. PFOF ¶ 47-53. By JetBlue’s own estimate, its entry has driven prices down by 14 percent to 75 percent. PX0644 at 3-4. The opposite has occurred when JetBlue exits a market; for example, when JetBlue left the JFK to Richmond route, fares rose by 65 percent and passenger counts fell by 49 percent. PX0644 at 5.” NEA Post-Trial Brief at 37-38.
“JetBlue is a close competitor to legacy airlines and is able to constrain their pricing.” NEA Proposed FOF at 9.
“Before the NEA, JetBlue was an effective competitor to the legacy airlines. A JetBlue employee observed, for example, that ‘one of the most common trends in JetBlue’s 20 year history is easily stealing share from AA and eventually winning.’ PX0710 at 3.” NEA Proposed FOF ¶ 32.
“American’s documents confirm that JetBlue constrained the pricing of legacy airlines. In May 2019, American attempted a system-wide price increase, but ultimately reversed the attempted price increase in markets where JetBlue competed against American nonstop and did not increase its prices. PX0220. In the same month, when American attempted another system-wide price increase, JetBlue did not increase some of its prices, causing American to lower prices in markets in which it competed with JetBlue. PX0221 at 1.” NEA Proposed FOF ¶ 33.
“JetBlue’s competitive actions, such as increasing frequencies and offering refundable fares, concerned American. American executives acknowledged that competitive actions from JetBlue forced an American response. American’s Regional Sales Director Paul Swartz testified, for example, that JetBlue’s \$99 fully-refundable fare for corporate travelers flying BOS-DCA and increased frequencies on that route created a “problem” for American in 2019. Tr. Vol. 8, 11:18–12:20 (Swartz/American).” NEA Proposed FOF ¶ 34.
“Competition from JetBlue resulted in legacy airlines reducing ancillary fees. In June 2020, JetBlue initiated \$0 change fees—which Delta and United matched—leading American’s Vice President of Revenue Management Jim Fox to note, ‘We don’t really have a choice but to match.’ PX0159 at 1.” NEA Proposed FOF ¶ 39.
“An empirical analysis of the destinations served by JetBlue in the Northeast further confirms that JetBlue competes closely with the legacy airlines, particularly in Boston and New York City. In contrast to other LCCs—which primarily serve only large cities from the NEA Airports—JetBlue serves large, midsize, and small cities, just as the legacy airlines do. Tr. Vol. 16, 133:2–134:1 at 133:21-25 (Town/Pls. Expert) (discussing demonstrative slide 49).

Before the NEA, JetBlue had plans to expand service in Philadelphia and Los Angeles, which are both American hubs. PX0506 at 63, 66, 68, 74, 78.” NEA Proposed FOF ¶ 42.

“Consumers benefited from competition between JetBlue and the legacy airlines. For example, before JetBlue’s entry into BOS-LGA, JetBlue warned State Street Corporation that American and Delta were ‘price gauging [sic]’ in the market. PX0902 at 1. After JetBlue entered BOS-LGA in October 2016, however, American contacted State Street to renegotiate its contract, resulting in State Street’s fare on BOS-LGA decreasing from over \$400 to \$125. PX0901 at 1-2.” NEA Proposed FOF ¶ 43.

“In total, competition between JetBlue and the legacy airlines has saved travelers billions of dollars. Before the NEA, JetBlue itself estimated that it had saved passengers at least ‘\$12 billion that would otherwise have gone to the four large airlines that hold vast pricing power in the airports they dominate.’ PX0466 at 2.” NEA Proposed FOF ¶ 45.

“The ‘JetBlue Effect’ describes the decrease in fares that occurs after JetBlue enters a market, or the increase in fares that occurs after JetBlue exits a market. PX0562 at 2-6. The JetBlue Effect takes its name from an MIT study that determined that when JetBlue enters a market, other competitors lower their fares and passenger demand increases. Land (JetBlue) Dep. 29:20–30:4, Apr. 28, 2022.” NEA Proposed FOF ¶ 46.

“JetBlue executives tout the JetBlue Effect. Mr. Hayes testified that when JetBlue enters a market at a lower fare, other airlines match its fare, and when JetBlue exits a market, fares increase. Tr. Vol. 1, 111:2-9 (Hayes/JetBlue). Mr. Lusso described the JetBlue Effect as ‘a market dynamic whereby a carrier, mainly JetBlue, enters a route adding capacity, lowering fares and stimulating the market size.’ Lusso (JetBlue) Dep. 193:12-16, Mar. 18, 2021; *see also* Lusso (JetBlue) Dep. 38:8-13, Apr. 11, 2022. JetBlue’s Director of Sales, Roberta Mehoke, testified that when JetBlue enters a market, fares typically decrease, and products and service improve. Mehoke (JetBlue) Dep. 220:6–221:1, June 2, 2022. Ms. Mehoke testified that JetBlue has observed competitors dropping price, upgauging, and improving their quality of service in response to entry by JetBlue. Mehoke (JetBlue) Dep. 220:6–221:1, June 2, 2022.” NEA Proposed FOF ¶ 47.

“JetBlue discussed the JetBlue Effect in its ordinary course documents. For instance, in a presentation to a potential corporate customer, JetBlue described the JetBlue Effect as when JetBlue goes ‘into markets with limited competition, bringing fares down.’ PX0664 at 17; PX0629 (providing market-by-market data with examples of the JetBlue Effect).” NEA Proposed FOF ¶ 48.

“JetBlue cited the JetBlue Effect in submissions to the government of the United Kingdom. In a June 2020 submission to the U.K.’s Competition Markets Authority (the “U.K. CMA”) JetBlue provided examples of the ‘JetBlue Effect.’ Tr. Vol. 10, 96:3-21 (Miller/Pls. Expert) (discussing demonstrative at 8, citing PX0470). The submission showed that walk-up fares decreased by: 69 percent when JetBlue entered BOS-LGA, 65 percent when it entered BOS-DCA, and 38 percent when JetBlue entered BOS-Minneapolis-St. Paul. Tr. Vol. 10, 96:3-21

(Miller/Pls. Expert) (discussing demonstrative at 8, citing PX0470 at 13).” NEA Proposed FOF ¶ 49.

“JetBlue has measured the magnitude of the JetBlue Effect in the ordinary course of business. Tr. Vol. 10, 97:2–98:10 (Miller/Pls. Expert) (discussing demonstrative at 9, citing PX0461 (Miller Report) ¶ 201, Ex. 20). An internal JetBlue analysis found that JetBlue’s entry and exit from a route can impact prices between 14 percent and 75 percent. Tr. Vol. 10, 97:2–98:10 (Miller/Pls. Expert) (discussing demonstrative at 9, PX0461 (Miller Report) ¶ 201, Ex. 20). For example, when JetBlue entered BOS-DCA—an NEA overlap route—in 2010, average fares fell by 29 percent, *i.e.*, prices were 40 percent higher before JetBlue’s entry. Tr. Vol. 10, 164:14–166:22 at 164:17-20, 165:3-5 (Miller/Pls. Expert) (discussing demonstrative at 65, citing PX0644).” NEA Proposed FOF ¶ 50.

“American recognizes the JetBlue Effect. Anmol Bhargava, the Vice President of Global Alliances and Partnerships for American, agreed that the ‘JetBlue [E]ffect,’ which refers to ‘low fares’ and the product that JetBlue offers, exists. Bhargava (American) Dep. 192:20–193:5, June 3, 2022.” NEA Proposed FOF ¶ 51.

“Travelers benefited from the JetBlue Effect whether or not they flew on JetBlue. Mr. Lusso testified that the JetBlue Effect ‘is measured as an impact on the customers that [JetBlue] serve[s],’ as well as customers that ‘don’t fly JetBlue’ because ‘customers are better off after [JetBlue] introduce[s] [its] service.’ Lusso (JetBlue) Dep. 68:24–69:14 at 69:2-7, Apr. 11, 2022.” NEA Proposed FOF ¶ 53.

“When JetBlue exits a market, prices tend to increase. When JetBlue left the JFK-Richmond route, fares rose by 65 percent and passenger counts fell by 49 percent. Tr. Vol. 10, 97:2–98:10 (Miller/Pls. Expert) (discussing PX0644 (Miller Report) ¶ 201, Ex. 20).” NEA Proposed FOF ¶ 54.

“The JetBlue Effect in Boston led to decreased fares and increased traffic. Mr. Hayes testified that JetBlue had brought lower fares to consumers in Boston. Tr. Vol. 1, 113:5-10 (Hayes/JetBlue). He further testified that ‘JetBlue has saved customers billions of dollars across the country, including in Boston . . . .’ Tr. Vol. 1, 119:12-17 (Hayes/JetBlue).” NEA Proposed FOF ¶ 167.

“There are many examples of the JetBlue Effect in Boston. When JetBlue entered BOS-DCA, fares dropped and traffic increased. Land (JetBlue) Dep. 30:24–31:3, 32:1-18, Apr. 28, 2022. JetBlue’s Senior Vice President of Government Affairs, Robert Land, testified that fares dropped 65 percent in BOS-DCA after JetBlue entered the market. Land (JetBlue) Dep. 55:20–56:3, Apr. 28, 2022; PX0629 at 1. Mr. Hayes noted that traffic increased by nearly 100 percent on this route following JetBlue’s entry. Tr. Vol. 1, 119:4-8 (Hayes/JetBlue); Tr. Vol. 10, 164:14–166:22 at 164:17-20, 165:3-5 (Clark/JetBlue). Mr. Land testified that the average walkup fare for BOS-DCA fell from \$484 to \$188. Land (JetBlue) Dep. 56:22–57:2; 57:6-12, Apr. 28, 2022; PX0629 at 3.” NEA Proposed FOF ¶ 168.

“Mr. Hayes also described additional specific examples when consumers benefited from the JetBlue Effect in Boston at trial. When JetBlue started flying BOS-Buffalo (‘BUF’), the fares

for that route decreased by 50 percent and the traffic volume increased by 200 percent. Tr. Vol. 1, 118:19-24 (Hayes/JetBlue). After JetBlue entered BOS-EWR, fares on that route dropped 54 percent and traffic increased 158 percent. Tr. Vol. 1, 123:4-8 (Hayes/JetBlue); PX1024.” NEA Proposed FOF ¶ 169.

“When JetBlue entered the BOS-LGA market in October 2016, the price of walkup tickets dropped approximately 70 percent overnight—from \$434 to \$129. Tr. Vol. 1, 116:19–117:12 at 117:10-12 (Hayes/JetBlue). Overall fares on BOS-LGA also decreased by 51 percent compared to the year before JetBlue offered the BOS-LGA route. Tr. Vol. 1, 117:13-23 (Hayes/JetBlue). Fares also decreased by 53 percent when JetBlue entered BOS-Cleveland (“CLE”) and decreased by 35 percent when JetBlue entered BOS-Detroit (“DTW”). Land (JetBlue) Dep. 46:11-24, 47:1-3, 48:4-23, Apr. 28, 2022; PX1024.” NEA Proposed FOF ¶ 170.

“American noted that as a result of the JetBlue Effect, ‘B6 has been adding increasingly lower fares into markets’ with Boston as an endpoint. PX0182 at 1. Mr. Swartz testified that because of JetBlue’s presence, American’s yield-per-segment—which is a measure of price—is lower in Boston than it otherwise would be. Tr. Vol. 8, 20:16-25 (Swartz/American). An American sales manager also noted that ‘[t]he fact is, unfortunately, Boston does not perform as well from a profitability perspective as other cities largely due to the fare destruction JetBlue have wrought.’ PX0195 at 1. American sales managers expressed concern that Boston did not perform well compared to other cities in American’s network, largely due to the lower fares JetBlue offered consumers in Boston. Tr. Vol. 8, 17:11-23 (Swartz/American).” NEA Proposed FOF ¶ 171.

“In total, JetBlue estimated that, as of January 2019, competition from JetBlue had saved Boston travelers more than \$3 billion. PX0518 at 5.” NEA Proposed FOF ¶ 172.

“The JetBlue Effect led to more passengers, lower fares, and better service in New York City markets. Mr. Hayes testified that growth at JFK, in particular, was the result of JetBlue competing at the airport. Tr. Vol. 1, 138:11-13 (Hayes/JetBlue). He noted that JetBlue’s entry in 1999 is what led passenger volume at JFK to grow from 31.7 million annual passengers to 62 million passengers in 2018. Tr. Vol. 1, 136:24–137:9 (Hayes/JetBlue).” NEA Proposed FOF ¶ 204.

“JetBlue’s pricing undercut legacy nonstop competitors with connecting fares. PX0591 at 4. A pricing analyst noted that ‘[w]e take a large number of connection bookings in business markets where there are only legacy nonstop competitors’ when describing competition on NYC-Pittsburgh (“PIT”). PX0591 at 4.” NEA Proposed FOF ¶ 206.

“Conversely, when JetBlue exits a market, fares increase. On JFK-RIC, fares rose by 65 percent and passenger count fell by 49 percent one year after JetBlue exited. PX0562 at 5; Lusso (JetBlue) Dep. 92:11–93:1, 93:5-11, Apr. 11, 2022. Similarly, on JFK-PIT, fares rose by 75 percent and passenger count fell by 68 percent one year after JetBlue exited. PX0562 at 5; Lusso (JetBlue) Dep. 92:11–93:1, 93:5-11, 93:18–94:2, Apr. 11, 2022; PX0461 (Miller Report) ¶ 201, Ex. 20.” NEA Proposed FOF ¶ 207.

“Based on the experience of JetBlue’s entry into transcontinental routes, American believed that JetBlue’s entry into transatlantic routes would lower fares and hurt American’s profitability. When JetBlue had entered transcontinental markets with its Mint product, American’s lowest fare decreased by 50 percent. Casey (American) Dep. 254:5-15, May 4, 2022; PX0190 at 99 (‘In TCON, lowest fare decreased by ~50% as B6 entering the markets’). American expected that JetBlue’s entry on BOS-LHR would similarly reduce fares 50 to 60 percent. Casey (American) Dep. 256:10-19, May 4, 2022; PX0190 at 99 (concluding that it was ‘reasonable to assume 50-60% fare drop in BOSLON once B6 starts non-stop service.’).” NEA Proposed FOF ¶ 251.

“Dr. Miller’s simulation results are consistent with the magnitude of the ‘JetBlue Effect’ calculated by JetBlue and its economists, both at the route-level and on average across all NEA nonstop overlap routes. Tr. Vol. 10, 163:7–164:13 at 163:17-20 (Miller/Pls. Expert). Dr. Miller’s predicted price increases are within the range of and do not exceed the JetBlue effect—the model’s results range from 90.1 percent to 0.9 percent, while the JetBlue Effect ranges from 114 percent to 14 percent. Tr. Vol. 17, 97:10–98:8 (Miller/Pls. Expert) (discussing demonstrative at 39). For example, the model predicts that the loss of JetBlue as an independent competitor would increase the prices of all airlines on BOS-DCA by 55 percent, which is comparable to the 40 percent JetBlue found on BOS-DCA. Tr. Vol. 10, 164:14–166:22 at 165:6-14 (Miller/Pls. Expert) (discussing demonstrative at 65 (citing PX0644)). The average price increases predicted by the model—16 percent for Defendants and nine percent for all airlines—are also similar to the 20 to 21 percent average JetBlue Effect obtained by the Defendants’ economists. Tr. Vol. 10, 164:14–166:22 at 166:3-16 (Miller/Pls. Expert) (discussing demonstrative at 66 (citing PX0644)); Tr. Vol. 17, 98:9–99:3 (Miller/Pls. Expert) (discussing demonstrative at 40).” NEA Proposed FOF ¶ 343.

“As a JetBlue network planning executive explained in June 2020, ‘one of the most common trends in JetBlue’s 20 year history is easily stealing share from AA and eventually winning[.] So that applies to PHL [Philadelphia] and MIA [Miami].’” NEA Pre-Trial Brief at 2-3

“JetBlue’s growth was a boon to consumers. By challenging AA and other legacy airlines, JetBlue forced them to lower fares. JetBlue called this the ‘JetBlue Effect.’ As JetBlue’s CEO explained, ‘just look at markets in New York where a legacy airline flies without competition and one where JetBlue flies against them, you see a massive difference in the fares.’” NEA Pre-Trial Brief at 10.

“When JetBlue first launched service in Boston in 2004, JetBlue took on AA (and US Airways, which has now been consolidated into AA) by offering consumers lower fares and high-quality service. Consumers voted with their feet and, in 2010, JetBlue became Boston’s most popular airline. In 2013, the merger of AA and US Airways made AA the second largest airline in Boston.” NEA Pre-Trial Brief at 25.

“Passengers reaped the benefits of Defendants’ rivalry. When JetBlue fought AA by launching flights between Boston and AA’s hub at LaGuardia, for example, average fares fell from \$223 to \$115. Likewise, when JetBlue challenged AA by launching service between Boston and

AA's hub at Ronald Reagan Washington National Airport ('Reagan National'), average fares dropped from \$164 to \$117." NEA Pre-Trial Brief at 25.

"Before the NEA, JetBlue lowered fares and improved the quality of its service in New York as it sought to upend the dominance of AA and the other legacy airlines. The dynamic between AA and JetBlue in New York was simple: JetBlue offered lower fares, AA responded, and passengers cashed in on the savings." NEA Pre-Trial Brief at 27.

"JetBlue has saved customers flying to/from Boston ~\$3B dollars over the past 15 years." Shores Reply Decl., Ex. F (DOJ Opening Slides, NEA Case at 5) ("DOJ Opening Slides") (quoting JetBlue).

"When JetBlue Doesn't Compete, Travelers Pay More . . . 'When a low fare competitor exits a market, [legacy competitors] again raise fares (e.g., NYC-PIT/RIC) and traffic usually drops as a result.'" DOJ Opening Slides at 6 (quoting JetBlue).

"The fact is unfortunately BOS does not perform well from a profitability perspective as other cities, largely due to the fare destruction B6 have wrought.'" DOJ Opening Slides at 9 (quoting Paul Swartz (AA)).

"So, it's reasonable to assume 50-60% fare drop in BOSLON once B6 starts non-stop service" DOJ Opening Slides at 15 (quoting AA).